



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 22, 2008

H.R. 6908 **Health Insurance Source of Injury Clarification Act of 2008**

*As ordered reported by the House Committee on Energy and Commerce
on September 17, 2008*

H.R. 6908, the Health Insurance Source of Injury Clarification Act of 2008, would require that group health plans disclose the limitations and restrictions on coverage in a timely manner to health plan sponsors and participants. The bill would amend the Employee Retirement and Income Security Act of 1974, the Public Health Service Act, and the Internal Revenue Code to reflect this new requirement. The bill would require that health insurance coverage limitations and restrictions be explicit and clear prior to the time of sale or enrollment. CBO estimates that enacting H.R. 6908 would not affect the federal budget.

H.R. 6908 would impose a private-sector mandate, as defined in the Unfunded Mandates Reform Act (UMRA), on issuers of group health insurance coverage and sponsors of group health insurance plans. CBO estimates that the aggregate cost of complying with those mandates would not exceed the threshold established by UMRA for private-sector mandates (\$136 million in 2008, adjusted annually for inflation). CBO estimates that the direct cost of these requirements would be small because issuers and sponsors of group health insurance plans generally already make such information available and already disclose plan information before and after enrollment. Making that information more explicit would not, in and of itself, be costly.

H.R. 6908 contains no intergovernmental mandates as defined in UMRA. An existing provision in the Public Health Service Act would allow state, local, and tribal governments, as employers that provide health benefits to their employees, to opt out of the requirements of this bill. Consequently, the requirements in the bill that would require plans to disclose coverage limits for injuries by source would not be an intergovernmental mandate as defined in UMRA. The bill would affect the budgets of those governments only if they choose to comply with the requirements for their group health plans.

The CBO staff contacts for this estimate are Kirstin Nelson (for federal costs), Lisa Ramirez-Branum (for the impact on state, local, and tribal governments), and Patrick Bernhardt (for the private-sector impact). This estimate was approved by Keith J. Fontenot, Deputy Assistant Director for Health and Human Services, Budget Analysis Division.